

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6384
BILL NUMBER: HB 2007

DATE PREPARED: Nov 17, 2000
BILL AMENDED:

SUBJECT: Local Infrastructure Revolving Fund.

FISCAL ANALYST: James Sperlik
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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		20,000,000	
Net Increase (Decrease)		(20,000,000)	

Summary of Legislation: This bill appropriates \$20,000,000 to the Local Infrastructure Revolving Fund to be used to provide loans associated with a project under the State Infrastructure Bank program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill appropriates \$20 million from the State General Fund to the Local Infrastructure Revolving Fund. The Fund was established by P.L. 13-1996 for the purpose of providing money to local governments for infrastructure projects. No funds have ever been deposited into the Fund. The Fund is administered by the State Budget Agency. The money appropriated does not revert to the State General Fund at the end of a state fiscal year.

The appropriation is to be used to provide loans associated with a project under Section 350 of the National Highway System Act of 1995, Public Law 104-59, or subsequent laws authorizing the State Infrastructure Bank Program. The money appropriated for this proposal is for the period beginning July 1, 2001, and ending June 30, 2003.

Loans from the Fund are to be used by political subdivisions to establish or improve the following infrastructure needs: (1) wastewater treatment projects, sewer systems, drinking water systems, and extending

water lines and installing hydrants for fire protection; (2) certain airports; (3) juvenile detention centers; (4) infrastructure or local public improvements needed for the rehabilitation, redevelopment, economic development, and reuse of military base property acquired from the federal government by a reuse or redevelopment authority; and (5) highways, roads, streets, and public mass transportation systems for communities.

[Note: The State Infrastructure Bank (SIB) program referenced above was authorized under the National Highway System Act of 1995 with 34 states participating. The Indiana Department of Transportation (INDOT) has participated in the SIB program. In FY 1998, the INDOT deposited \$3.39 M in state funds along with approximately \$4.66 M in federal funds with the State Treasurer's office as the initial capitalization of the SIB. As of September 30, 1999, the balance amounted to approximately \$8.1 M which included interest of \$82,000.]

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units could potentially receive money from the Fund.

State Agencies Affected: State Budget Agency.

Local Agencies Affected: Political subdivisions who receive funds from this proposal.

Information Sources: Rick Whitney, Deputy Commissioner and Chief Financial Officer of the INDOT, 232-1472; Federal Highway Administration Web page.